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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY: *[Signature]* DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

GEN-PROBE INCORPORATED,

Plaintiff,

vs.

VYSIS, INC.,

Defendant.

CASE NO. 99-CV-2668 H (AJB)

Order Granting Application for Expedited Briefing on Vysis' Motion for Entry of Final Judgment Under Rule 54(b)

On July 2, 2001, Vysis filed a Motion for Entry of Final Judgment Under Rule 54(b). Vysis seeks expedited briefing and hearing on the motion due to the discovery closure dates in the case. The Court GRANTS Vysis' request for an expedited briefing schedule. The Motion for Entry of Final Judgment is submitted on the papers pursuant to Local Rule 7.1(d.1).

IT IS SO ORDERED.

DATED: 7-11-01

[Signature: Marilyn L. Huff]
MARILYN L. HUFF, Chief Judge
UNITED STATES DISTRICT COURT

[Handwritten: VGH]

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1 Because the Court's claim construction is the foundation upon which all of the remaining
2 issues of the case will rest, it is imperative that the claims be properly construed before addressing
3 those issues. Any holding as to anticipation, obviousness, or nonenablement based on an incorrect
4 construction of the claims of the '338 patent would require the parties to relitigate the case.
5 Immediate appellate review by the Federal Circuit would avoid this serious risk. Thus, as discussed
6 above and in Vysis' opening memorandum, it would be ill-advised to proceed with trial of the
7 remaining issues absent appellate review of the fundamental issue of claim construction.

8
9 **B. Proceeding to Try the Remaining Counts Will Not Alter Gen-Probe's Obligation
 To Pay Royalties**

10 Gen-Probe's concern that it may continue to pay royalties pending final judicial resolution of
11 the liability issues will not be addressed by refusing to permit immediate appeal of the infringement
12 issue. Gen-Probe is free to cease paying royalties any time it wishes. If it chooses to continue to pay
13 royalties following the summary judgment order it has elicited from this Court, it can only be due to
14 a lack of certainty that that order can be sustained on appeal. Insisting that the parties proceed to
15 trial on the possibly moot validity and enforceability issues cannot relieve Gen-Probe of that
16 uncertainty. Even after trial, Gen-Probe would still face the uncertainty that any judgment it secures
17 in its favor may be reversed on appeal. It is for this reason that the license agreement between the
18 parties specifically contemplates the prospect of royalties until there is a final, unappealable judicial
19 decision on the liability issue. See, e.g., Banks Decl. Ex. B, ¶ 1.3 (requiring exhaustion of all
20 appeals). As noted above, the fastest way to secure that final judicial decision is to permit Vysis to
21 appeal the infringement ruling immediately.⁶

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 (...continued)

25 claim construction because that count is based upon Gen-Probe's contention that the '338 patent is
 invalid and unenforceable.

26 ⁶ The only remaining relief sought by Gen-Probe – a questionable unfair competition claim
27 for return of royalties paid – cannot be fully resolved against Vysis until there is a final decision on
28 the liability issues, which is most expeditiously obtained by permitting an immediate appeal. Gen-
Probe's claim to recover royalties paid can be resolved (if not dropped or settled) after the basic
liability issue has been resolved.